

Queensland Public Trustee

**Proposed fees and charges reform
for key services — public consultation**

Financial management customer case studies



Public
Trustee

This booklet provides case studies to illustrate how our customers would be affected by the proposed fee changes for financial management services. These case studies show that the proposed fee changes would affect financial management customers differently, depending on their service fees, asset value and eligibility for fee rebates.

To protect the privacy of individuals and to maintain confidentiality, the names and any details for the images and case studies have been de-identified unless expressly permitted by the individual and legislation.

Case studies

The case studies show how much customers pay on an annual basis and how much they would pay under the proposed fee options.

We have simplified these examples to make them easier to understand, so they don't include some recent fee changes that happened after 1 July 2022. For example, currently there is a hold on incidental outlays which benefits all financial management customers. Incidental outlays would be permanently removed under the proposed options. We have not included that benefit in these case studies as financial management customers already benefit from the hold.

These case studies show that most financial management customers won't see a change in what they actually pay for their services. This is because their fees are already significantly discounted due to fee rebates. The proposed fee changes would mostly benefit customers with moderate to high value assets.



John is a financial management customer who lives in a rented property. He has a bank balance of \$1,000 as his only asset. Without the rebate, John would need to pay \$6,630 a year in service fees. However, with the fee rebate John's annual fee is reduced to \$50 a year, which is 5% of his total assets.



Sally is a financial management customer who lives in her own home. Her house is currently valued at \$800,000 and she has savings of \$40,000. Without the fee rebate, Sally would need to pay \$7,235 a year in service fees. However, with the fee rebate, Sally's annual fee is reduced to \$2,000, which is 5% of Sally's \$40,000 in savings. In working out the fee rebate amount, the customer's asset value doesn't include the value of their home.



Michael lives in an aged care facility. He has \$400,000 in assets. Without the rebate, Michael would need to pay \$4,938 a year in service fees. He is not eligible for a fee rebate as his total fee is less than 5% of his asset value.

Meet Neil

After a health event left Neil with a brain injury, he needed help to manage his financial affairs until he could regain capacity to manage his own affairs.

Queensland Public Trustee (QPT) was appointed as the administrator as he was separated from his spouse and estranged from his children.

During his recovery, Neil was unable to work or attend to his financial affairs, including finalising his property settlement and tax matters. He had amassed large debts, and after his property settlement, only had enough money to pay off his loans and medical bills.

Neil's trust officer helped him budget his small pension income and negotiate reduced payout amounts for debts with his lenders.

With income support in place and his debts resolved, Neil was able to gain a declaration of capacity from the Queensland Civil and Administration Tribunal (QCAT), ending QPT's involvement and allowing him to manage his own affairs again.

Without the fee rebate, Neil would have paid \$6,630 in fees, but instead he only paid \$121 (which is 5% of his asset value).

What the proposed fee changes would mean for Neil

Neil already receives a significant rebate on his total fee because he does not have a lot of assets. Even though his personal financial administration fee is reducing by \$1,698, Neil's fee rebate is big enough to cancel that out, so he won't see any change in his total fee.



Meet Gordon

Gordon, 90, is a person with a neurological condition that impairs his decision-making capacity.

After a relationship breakdown, he needed assistance with his financial affairs and an application was made to QCAT. Despite having family members willing to provide informal support, they declined formal appointment. QPT was appointed to assist Gordon and has been working with him and his family for around 20 years.

Gordon receives income from the aged pension and has a modest investment worth approximately \$210,000 managed by QPT. He resides in private rental accommodation and moves residence from time-to-time at his discretion. QPT is in regular contact with Gordon and his family. As well as managing Gordon's budget to meet his living expenses and purchases, QPT regularly assists with tenancy agreements and ensures his pension benefits are correct.

Gordon pays \$8,637 a year in fees and receives no fee rebate due to him holding a moderate level of wealth.

What the proposed fee changes would mean for Gordon

Gordon would benefit from reductions of \$1,698 in the personal financial administration fee and \$2,008 in the asset management fee. With just \$210,000 in assets, it is unlikely he would need more than five hours of asset management service, so he won't pay any extra fee for this service. Gordon's total fee would reduce by \$3,706 to make his fee \$4,931.





Meet Zoe

Zoe's family life broke down when she was young, and she experienced trauma and a psychosocial condition that affects her ability to learn financial decision-making skills.

Concerned that she would be homeless after turning 18, Zoe's supports applied for QPT to be appointed as her financial administrator.

QCAT appointed QPT for one year, recognising Zoe's young age and potential to become independent.

Zoe has a bank account balance of around \$1,000 as her only asset. Without the fee rebate, Zoe would pay \$6,630 a year in fees, but instead she would only pay around \$50 a year.

Zoe and her NDIS supports worked with her trust officer to secure a tenancy and create a budget based on her small Youth Disability Allowance income.

Zoe expressed the wish to be independent and have the QCAT Order revoked at the next review. To support Zoe in reaching this goal, QPT and Zoe's service providers resolved to enrol her in the Financial Independence Pathway immediately. This program maximises individual control over finances and decisions, and help Zoe prepare to take on her financial affairs successfully.

What the proposed fee changes would mean for Zoe

Zoe receives a significant rebate on her total fee. Even though her personal financial administration fee is going down by \$1,698, Zoe's rebate is enough to cancel that out, so she won't see any change in her total fee.

Meet Phil

Phil, 77, was living a simple life when a sudden illness caused irreversible cognitive impairment. As a result, he was unable to return home or manage his finances. No family or next of kin could be located. The hospital staff made an application to QCAT and QPT was appointed as administrator.

An assessment revealed Phil was a self-funded retiree with substantial assets, exceeding \$3.1 million. QPT sought independent financial advice regarding Phil's aged care funding and asset management strategies. QPT also handled all necessary agreements and payments, while managing the relocation process and finalising his previous living arrangement.

Phil's needs are currently being met by the nursing home staff, who maintain regular communication with QPT to ensure Phil's well-being.

Phil incurs annual fees of approximately \$15,790, which includes a fee of around \$13,667 for asset management services. Due to his substantial assets, he is not eligible for a fee rebate.

What the proposed fee changes would mean for Phil

Phil would benefit from a significant saving of around \$11,100 in asset management fees, despite needing to pay an additional service fee of around \$2,600 for the extra effort involved in managing his large estate. Phil is one of a small number of customers who would pay an extra fee for asset management services. Under Option 1 he would save around \$10,900 in fees. Under Option 2, Phil would save around \$9,560 in fees due to an increase of \$1,340 in his personal financial administration fee.



Meet Jean

Jean, 73, has an age-related illness that causes irreversible cognitive impairment. She fell ill and was admitted to the hospital where it was realised that she could no longer live on her own or manage her finances. Her accounts, which had previously been up to date, had fallen behind, and while her supports were able to help sort out her rental accommodation, financial decisions needed to be made. A QCAT application was made, and QPT was appointed as administrator.

Jean moved from hospital to an aged-care facility and QPT completed the necessary care agreements. Jean was still able to enjoy outings and to shop for her personal needs with support, so her bank account was retained so she could access funds to pay for purchases when she went out. Jean's trust officer worked with her to establish a budget and determine how she would like this arrangement to be managed. In this way, Jean's access to the community is preserved and her financial and accommodation needs are met.

Jean's fee before the fee rebate was calculated at \$2,422, but her fee was capped at 5% of her asset value, resulting in Jean only paying \$1,375.

What the proposed fee changes would mean for Jean

After accounting for the fee rebate, Jean would not see any change in her total fee. Under Option 1, the fee rebate would cancel out the small reduction in her total fee. However, under Option 2, the rebate will cancel out a \$1,041 increase in her total fee, resulting from an increase of \$1,340 in personal financial administration fee.





Our Vision

A value for money, independent state trustee service dedicated to advancing and safeguarding the rights, interests and wishes of Queenslanders in need of financial management, estate and trust administration and planning support.

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